



Explanations concerning the rights of shareholders

(in accordance with §§ 122 (2), 126 (1), 127, 131 (1) German Stock Corporation Act and § 1 (1) and (2) COVID-19-Act)

for the ordinary Annual General Meeting on 25 June 2020

The convocation notice already contains information on shareholders' rights pursuant to §§ 122 (2) 126 (1), 127, § 131 (1) the German Stock Corporation Act (*AktG*) and § 1 (2) of the German Act Concerning Measures under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic ("COVID-19-Act"). The following information serves the purpose to further explain these provisions pursuant to § 121 (3) no. 3 AktG.

1. Motions and election proposals of shareholders in accordance with §§ 126 (1) and 127 AktG; exclusion of the right to file motions during the Annual General Meeting

Due to the fact that the Annual General Meeting will be held in the form of a virtual Annual General Meeting without the presence of shareholders and their proxies and with the exercise of voting rights only via postal vote or the granting of a power of attorney with instructions, without the electronic participation of shareholders, the right of shareholders to submit motions at the Annual General Meeting is legally excluded. Countermotions and election proposals within the meaning of §§ 126 (1), 127 AktG and procedural motions may therefore not be made at the Annual General Meeting.

Nonetheless, shareholders are given the opportunity to submit countermotions and election proposals to DEAG Deutsche Entertainment Aktiengesellschaft ("DEAG") prior to the Annual General Meeting in accordance with §§ 126 (1) and 127 AktG for publication on the Company's website. Shareholders may send the Company countermotions to proposals of the Management Board and/or Supervisory Board on certain items on the agenda as well as nominations for the election of Supervisory Board members or auditors before the Annual General Meeting. Counter-motions (§ 126 AktG) and nominations for election (§ 127 AktG) from shareholders on a specific agenda item must be sent exclusively to the address given below:

DEAG Deutsche Entertainment Aktiengesellschaft
Attn. Mr. Daniel Rothhammer
Potsdamer Str. 58
10785 Berlin

fax-no. +49 (0) 30 810 75 619
e-mail: hauptversammlung@deag.de

Countermotions addressed otherwise will not be considered. Countermotions should be provided with a statement of grounds, this does not apply to election proposals.

Proper countermotions and election proposals received by the company at the above address by no later than the end of 10 June 2020, 24:00 hours (midnight) CEST, will be – subject to §§ 126 (2) and (3) AktG - published including the name of the shareholder and a statement of grounds on the website:

www.deag.de

-> Investor Relations -> Annual General Meeting -> 2020. Any comments by the Management and/or Supervisory Board will also be published under the aforementioned internet address. The company is not required to make a countermotion and its statement of grounds or an election proposal accessible if one of the exclusion criteria under § 126 (2) AktG applies, for example because the election proposal or countermotion would lead to a resolution of the Annual General Meeting that would be contrary to the law or the Articles of Association, or because the statement of grounds contains false or misleading information. Furthermore, an election proposal does not have to be made accessible if the election proposal does not contain the name, practiced profession and place of residence of the proposed candidate as well as his or her memberships in other statutory supervisory boards. The statement of grounds for a countermotion does not need to be made accessible if it exceeds 5,000 characters in total.

Countermotions and election proposals to be made accessible will be considered as having been made within the framework of the virtual Annual General Meeting if the shareholder or shareholder representative submitting the countermotion or the election proposal is duly registered for the Annual General Meeting.

The corresponding provisions of the German Stock Corporation Act are as follows:

§ 126 AktG Motions by shareholders

- (1) *¹Motions put forward by a shareholder stating the name of the shareholder, the reasons for the motion and any comments on the part of the administration shall be made accessible to the entitled persons named in sec. 125 para. 1 to 3 subject to the conditions stated therein if, at least fourteen days prior to the meeting, the shareholder sends a counter motion against a proposal made by the management board and the supervisory board on a particular item on the agenda to the company at the address given for this purpose in the notification of convening the meeting together with his reasons for such motion. ²The day of receipt shall not be included in the calculation. ³In the case of listed companies, access shall be provided via the website of the company. ⁴Sec. 125 para. 3 shall apply accordingly.*
- (2) *¹The counter motion and the reasons therefor need not be made accessible*
 1. *if the management board would render itself liable to prosecution by making such counter motion and reasons accessible,*
 2. *if the counter motion would result in a resolution of the general meeting which is either unlawful or in breach of the articles of association,*
 3. *if the reasons contain key statements which are manifestly incorrect or misleading or if they are slanderous,*
 4. *if a counter motion of the shareholder based on the same subject matter has already been made accessible in connection with a general meeting of the company pursuant to sec. 125,*
 5. *if the same counter motion of the shareholder with essentially the same reasons has within the previous five years already been made accessible in the context of at least two general*

meetings of the company pursuant to sec. 125 and less than one-twentieth of the registered share capital represented at the general meeting voted in favor of such counter motion,

- 6. if the shareholder indicates that he shall neither attend the general meeting nor arrange for a representative to attend on his behalf, or*
- 7. if in the previous two years the shareholder has failed in two general meetings to make or cause to be made on his behalf a counter motion communicated by him.*

²*The reasons need not be made available if the text thereof exceeds a total of 5,000 characters.*

- (3) If several shareholders file a counter motion in respect of the same resolution, the management board may combine the counter motions and reasons.*

§ 127 AktG Nominations by shareholders

¹*Sec. 126 shall apply accordingly to nominations made by shareholders for the election of supervisory board members or auditors of annual financial statements.* ²*There is no need for reasons to be given for the nomination.* ³*Furthermore, the management board need not make the nomination available if the nomination does not contain the information pursuant to sec. 124 para. 3 sentence 3 and sec. 125 para. 1 sentence 5.* ⁴*The management board shall add to the shareholder's proposal regarding the election of supervisory board members in listed companies, which are subject to the Codetermination Act, the Coal, Iron and Steel Codetermination Act or the Codetermination Amendment Act the following Information:*

- 1. reference to sec. 96 para. 2,*
- 2. a declaration on whether the overall fulfillment according to sec. 96 para. 2 sentence 3 has been contradicted, and*
- 3. a declaration on how many seats in the supervisory board need to be filled by women and men, to achieve the minimum fulfillment according to sec. 96 para. 2 sentence 1.*

2. Requests to add items to the agenda pursuant to § 122 (2) in conjunction with § 124 (1) sentence 2 AktG

Shareholders whose shares amount to one-twentieth of the share capital or reach the proportionate amount of EUR 500,000.00 may demand that items be added to the agenda and published. The request must be submitted in writing to the Management Board of DEAG and must reach DEAG no later than by the end of 25 May 2020, i.e. midnight (24.00 hours) (CEST). A corresponding request must be sent to the following address:

DEAG Deutsche Entertainment Aktiengesellschaft
Management Board
Potsdamer Straße 58
10785 Berlin

Requests to add items to the agenda received at a later date or otherwise addressed will not be considered. The motion must be signed by all shareholders who make up one-twentieth of the share capital or the proportionate amount of EUR 500,000.00. Each new agenda item must be accompanied by a statement of grounds or a proposed resolution. The applicants must prove that they are shareholders of a sufficient

number of shares for the duration of the legally required minimum holding period of 90 days prior to the day of receipt of the request and that the will hold such shares until the decision on the request is made (§§ 122 (2), 122 (1) sentence 3 AktG as well as § 70 AktG).

The provisions in the German Stock Corporation Act underlying these shareholder rights are as follows:

§ 122 AktG Convening a meeting at the request of a minority

- (1) ¹A general meeting shall be convened if shareholders having an aggregate shareholding amounting to one twentieth of the registered share capital file a written request for such meeting to be held, stating the purpose and the reasons therefor; such request shall be directed to the management board. ²The articles of association may link the right to request that the general meeting be convened to another form and to a lesser share in the registered share capital. ³The petitioners must prove that they have held their shares for a period of at least 90 days prior to the date the demand is received and that they will hold the shares until a decision is taken on the motion by the management board. ⁴Sec. 121 para. 7 shall apply accordingly.
- (2) ¹In the same way, shareholders with an aggregate shareholding of one twentieth of the registered share capital or the proportionate amount of EUR 500,000 may request that items are put on the agenda and are announced as items on the agenda. ² Each new item shall be accompanied by a statement of reasons or a draft resolution. ³The request pursuant to sentence 1 must be received by the company at least 24 days, or in the case of listed companies at least 30 days, prior to the meeting; the date of receipt shall not be included in the calculation.
- (3) ¹If such request is not met, the court may authorize those shareholders who filed the request to convene the general meeting or to publish the item. ²The court may also appoint the chairman of the meeting at the same time. ³Reference shall be made to the authorization granted by the court and the convening or the publication. ⁴The decision shall be subject to appeal. ⁵The petitioners must prove that they will hold their shares until a decision is taken by the court.
- (4) The company shall bear the costs of the general meeting and, in the case of para. 3, the court costs if the court grants the application.

§ 70 AktG Calculation of the period of share ownership

¹If the shareholder is required to have held the share for a certain period before being able to exercise the rights arising therefrom, a claim to assignment against a credit institution, a financial services institution or enterprise acting pursuant to sec. 53 para. 1 sentence 1 or sec. 53b para. 1 sentence 1 or para. 7 of the Banking Act shall be deemed equivalent to ownership. ²The period of ownership of a legal predecessor shall be attributed to a shareholder if he acquired the share free of charge from his trustee, as universal successor, upon severance of co-ownership or as a result of a transfer of assets pursuant to sec. 14 of the Insurance Supervisory Act or sec. 14 of the Savings and Loan Association Act.

3. Possibility for the shareholders to ask questions pursuant to § (2) sentence 1 no. 3, sentence 2 COVID-19-Act

On the basis of the COVID-19-Act, the shareholders are not entitled to information in the virtual general meeting in the sense of § 131 AktG, but are given the opportunity to ask questions.

Properly registered shareholders have the opportunity to ask questions by means of electronic communication (see § 1 (2) sentence 1 no. 3 COVID-19-Act). However, this does not imply a right to an answer. Any questions must be submitted until two days prior to the Annual General Meeting, i.e. by no later than **Tuesday, 23 June 2020, 24.00 hours CEST**, via the AGM portal accessible at

www.deag.de

-> Investor Relations -> Annual General Meeting -> 2020. The button "Submit a Question" on the AGM-portal is provided for this purpose. No questions may be submitted after the deadline. For technical reasons, the scope of the individual question may be limited to a certain number of characters, but this does not limit the total number of possible questions. Questions submitted after the above-mentioned deadline cannot be considered. No questions may be asked during the virtual Annual General Meeting.

Pursuant to § 1 (2) sentence 2 COVID-19-Act, the Management Board decides which questions it answers and how to answer them based on its dutiful and free discretion. In particular, it may summarize questions and select meaningful questions in the interest of the other shareholders. In addition, the Management Board may give preference to shareholder associations and institutional investors with significant voting shares. The Management Board reserves the right to answer questions in advance on the Company's website.

Kindly note, that when questions are answered, the name of the shareholder submitting the question may also be disclosed.

When answering questions during the Annual General Meeting, the name of the person asking the question will only be disclosed (to the extent that questions are answered individually), if the submission of the question was accompanied by express consent to the disclosure of the name. The same applies to any early publication of questions and, if applicable, answers on the company's website in the run-up to the Annual General Meeting: In this case, too, the name of the person asking the question will only be disclosed if he or she has expressly declared his or her consent to the disclosure of his or her name when submitting the question.

The provisions of § 1 (2) sentence 1 no. 3, sentence 2 COVID-19-Act upon which these shareholder rights are based, read as follows:

§ 1 (2) sentence 1 no. 3, sentence 2 COVID-19-Act (excerpt)

(2)¹ The management board may decide that the general meeting is to be held in the form of a virtual general meeting without the need for shareholders or their authorized representatives to be physically present, provided that

[...]

3. shareholders are given the opportunity to ask questions by means of electronic communication,

[...]

² The management board decides dutifully and at one's own discretion, which questions it wishes to respond to; it may also stipulate that questions must be submitted by means of electronic communication no later than two days prior to the meeting.

4. Filing of objections against resolutions of the Annual General Meeting to § 1 (2) sentence 1 no. 4 COVID-19-Act

Shareholders who have exercised their voting rights by absentee voting or by granting power of attorney have the opportunity to object to the resolutions of the Annual General Meeting by electronic communication to the notary public appointed to record the Annual General Meeting.

Such declarations can be made - provided that a vote is cast - from the opening of the Annual General Meeting via the Internet-supported AGM-portal at

www.deag.de

-> Investor Relations -> Annual General Meeting -> 2020 to be recorded in the minutes in accordance with § 245 no. 1 AktG. For this purpose, the button "Raise an Objection" is provided in the AGM-portal. The declaration is possible via the Internet-based AGM portal from the beginning of the Annual General Meeting until the end of the Annual General Meeting. The notary has authorized the Company to receive objections via the Internet-supported AGM-portal and receives the objections via the AGM portal.

The provisions of § 1 (2) sentence 1 no. 4 COVID-19-Act, upon which these rights to declare objections are based, read as follows:

§ 1 (2) sentence 1 no. 4 COVID-19-Act (excerpt)

(2) The management board may decide that the general meeting is to be held in the form of a virtual general meeting without the need for shareholders or their authorized representatives to be physically present, provided that

[...]

4. shareholders who exercise their voting right in accordance with no. 2 are afforded the possibility of objecting to a resolution adopted by the general meeting by way of derogation from section 245 no. 1 of the Stock Corporation Act, the need to be physically present at the general meeting thus being waived.

Berlin, May 2020

DEAG Deutsche Entertainment Aktiengesellschaft

The Management Board